



**DEFENSE LOGISTICS AGENCY**  
**THE DEFENSE CONTRACT MANAGEMENT COMMAND**  
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IN REPLY  
REFER TO

AQOE

February 11, 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT  
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-22, Demilitarization of Contractor Inventory  
(INFORMATION)**

This is a POLICY memorandum effective immediately and ending September 30, 1997. Target audience: Contract Administration Office Commanders, Plant Clearance Officers, Property Administrators, and Administrative Contracting Officers.

A recent draft DoD Inspector General report stated that DCMC Plant Clearance Officers (PLCOs) were not making inquiries into the Federal Logistics Information System (FEDLOG) to determine whether excess Government property had been assigned national stock numbers (NSNs) that would identify them as munitions list items (MLI). Districts must ensure that PLCOs have access to FEDLOG, are fully familiar with its use, and are employing it to identify NSNs. We will shortly be furnishing PLCOs with several computer-based training modules that address the area of demilitarization in order to facilitate the identification of NSNs for MLI.

The DoD Inspector General report also stated that PLCOs were not requiring contractors to provide available NSNs when reporting excess Government property. The current policy contained in the Federal Acquisition Regulation (FAR) at subparagraph 45.505-1(a) states that NSNs, if furnished by the Government or available in the contractor's property control system, shall be provided as basic information for items of Government property. FAR 45.606-5(d)(2) requires these NSNs to be reported on inventory schedules. Therefore, if contractors were provided NSNs with the property that was furnished to them, the NSN should be available and is required to be reported on inventory schedules.

New policy in this area that has been proposed for inclusion in the FAR will clearly require contractors to maintain NSNs as part of standard property records information and to report the NSNs and the demilitarization codes when declaring either Government-furnished or contractor-acquired or fabricated property excess. Until this policy is implemented, PLCOs should strongly encourage contractors to provide NSNs for contractor-acquired or contractor-fabricated property to which the Government has title on future submissions of inventory schedules.

The DoD Inspector General also recommended that existing demilitarization training needed to be improved in order to provide clear instructions to PLCOs for the identification

and control of MLI in the possession of defense contractors. We have reviewed student course critiques from DCMC students who have attended the DoD Demilitarization course during the last 2 years and found that they generally rated the course as excellent. Nonetheless, we will be working with the U.S. Army Logistics Management Center to enhance the course and improve its relevance to plant clearance. Districts are reminded that attendance at this course is mandatory for all DCMC property management personnel.

PLCOs should follow the guidance contained in Appendix L of Chapter 5, Part VIII of DLAD 5000.4 regarding demilitarization. The Defense Reutilization and Marketing Service (DRMS) is also available to answer questions regarding demilitarization. Questions may be forwarded to DRMS, ATTN: DRMS-SOM, 74 N Washington Avenue, Battle Creek, MI 49017-3092. DRMS has also established a demilitarization help line to answer questions, which may be reached at 1-800-219-8168. We hope to have both the expanded DoD FAR Supplement and FAR policies on demilitarization and the revised DoD Demilitarization Manual published in the next few months. We are also working with the DoD Demilitarization Program Manager to better define demilitarization requirements for special tooling. This additional guidance, together with improved training, should significantly improve our ability to ensure proper disposal of both MLI and strategic list items.



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